

## Message Text

CONFIDENTIAL

PAGE 01 CAIRO 02583 111651Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----120242Z 010187 /64

R 111612Z FEB 77  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 1649  
INFO AMCONSUL ALEXANDRIA

C O N F I D E N T I A L CAIRO 2583

EXDIS

E.O. 11652: GDS  
TAGS: PFOR EINV ETRD EG US  
SUBJECT: ARAB BOYCOTT: FORD OFFER

REF: CAIRO 2166 AND PREVIOUS

1. EGYPTIAN INVESTMENT AUTHORITY CHIEF RUSHDI TOLD AID DIRECTOR, FEBRUARY 8, THAT TECHNICAL DISCUSSIONS WITH FORD TEAM PROGRESSING WELL. HOWEVER, RUSHDI FELT GOE NEEDS AN ANALYTICAL STUDY OF SOCIAL AND ECONOMIC IMPACT THAT PROPOSED FORD INVESTMENT WOULD HAVE ON EGYPT. WHEN SUBJECT MENTIONED TO FORD REPS, THEY STATED COMPANY HAS NO RESOURCES TO FINANCE SUCH STUDY, ESPECIALLY AFTER SUBSTANTIAL FUNDS FORD HAS ALREADY COMMITTED ON STUDIES TO DATE. RUSHDI ASKED WHETHER AID MIGHT BE ABLE ASSIST. AID DIRECTOR SUGGESTED FORD REPS DISCUSS MATTER WITH HIM.

2. SUBSEQUENTLY LOCAL FORD REP OUROUSSOFF AND MR. LINDGREN (FORD FINANCIAL PLANNING MANAGER/MID EAST FROM DEARBORN) CALLED ON AID DIRECTOR. THEIR DESCRIPTION OF WHAT RUSHDI WANTED WAS SIMILAR TO ABOVE. GOE, ACCORDING TO FORD REPS, IS INTERESTED IN UP-STEAM AND DOWN-STREAN ANALYSES OF WHAT WOULD BE POSITIVE AND NEGATIVE EFFECTS OF PROPOSED FORD  
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INVESTMENT ON RELATED INDUSTRY, MANPOWER, SOCIAL CONDITIONS, BALANCE OF PAYMENTS AND ON OTHER ASPECTS OF ECONOMY AND POPULATION. FORD REPS OPINED THIS WAS NOT SIMPLY ANOTHER EFFORT BY GOE TO STALL FORD PROPOSAL.

3. AID DIRECTOR INDICATED THAT IF GOE SHOULD ASK US TO FINANCE A STUDY TO ASSESS TECHNICAL AND ECONOMIC IMPACT

OF PROPOSED INVESTMENT, THIS COULD BE CONSIDERED.  
INITIATIVE NOW LIES BETWEEN FORD AND MINISTRY OF  
ECONOMY. IF THEY CAN REACH AGREEMENT ON REASONABLE SCOPE  
OF WORK FOR SUCH STUDY, ON APPROPRIATE GROUP TO EXECUTE  
IT AND ON REASONABLE COST ESTIMATES, AID/EGYPT CAN THEN  
CONSIDER WHETHER IT CAN HELP.  
EILTS

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, AUTOMOTIVE INDUSTRY, BOYCOTTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 11-Feb-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977CAIRO02583  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009